

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

UNITED STATES OF AMERICA,

Plaintiff,

vs.

MARGE L. CELLINI, *et al.*,

Defendants.

2:12-cv-00471-GMN-VCF

REPORT AND RECOMMENDATION

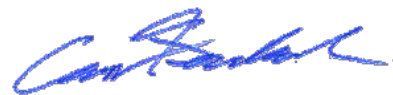
Before the Court is plaintiff's Motion for Default Judgment (#20).

Having reviewed this motion, the supporting papers filed by the plaintiff and all other portions of the file relevant to this motion, Good Cause Appearing,

IT IS HEREBY RECOMMENDED that the Order of Permanent Injunction, attached hereto as Exhibit 1, be entered by the court.

The undersigned U.S. Magistrate Judge has revised plaintiff's Proposed Order of Preliminary Injunction (#20-1), modifying selected findings and removing the third and fourth numbered paragraphs stating the scope of the injunction. These revisions were made to limit the scope of the injunction to that permitted by the statutes on which plaintiff relies and to provide clear, unambiguous notice to defendant Cellini of the conduct which is enjoined.

DATED this 18th day of November, 2013.



CAM FERENBACH
UNITED STATES MAGISTRATE JUDGE

EXHIBIT 1

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2 **UNITED STATES DISTRICT COURT**
3 **DISTRICT OF NEVADA**

4 ***

5 UNITED STATES OF AMERICA,
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10 Defendants.

2:12-cv-00471-GMN-VCF

ORDER OF PERMANENT INJUNCTION

11 This matter comes before the Court on the United States' Motion for Default Judgment. (Doc.
12 20.) The defendant, Marge L. Cellini, individually, and d/b/a Tax Factory, Inc., and/or Myst Inc.
13 ("Cellini"), was properly served and has failed to appear in this action. Entry of default was made
14 against Cellini on September 11, 2012. (Doc. 14.) Having considered the motion, the file, and the
15 applicable law, the Court makes the following findings of fact and conclusions of law and enters this
16 permanent injunction against Cellini.

17 The Court finds that Cellini continually and repeatedly engaged in conduct subject to penalty
18 under 26 U.S.C. §§ 6694 and 6695 and other fraudulent conduct that substantially interferes with the
19 administration of the internal revenue laws. 26 U.S.C. § 7407(b)(1)(A), (D).

20 The Court further finds that Cellini has repeatedly engaged in fraudulent tax preparation
21 practices involving numerous individual and corporate tax returns, beginning in 2001 and continuing at
22 least through 2007. These returns contained fabricated and inflated itemized deductions causing
23 significant understatement of tax liability by Cellini's clients.

24 The Court further finds that injunctive relief is appropriate under 26 U.S.C. § 7407 to prevent
25 Cellini from further engaging in such conduct.

1 The Court further finds that because such conduct was continual and repeated, and because a
2 narrower injunction would not be sufficient to deter Cellini's interference with the proper administration
3 of the internal revenue laws, that Cellini should be enjoined from further acting as federal tax return
4 preparer under 26 U.S.C. § 7407.

5 The Court further finds that Cellini engaged in conduct subject to penalty under 26 U.S.C. §
6 6701, and that injunctive relief is appropriate under 26 U.S.C. § 7408 to prevent Cellini from further
7 engaging in such conduct.

8 The Court further finds that Cellini engaged in conduct that interferes with the enforcement of
9 the internal revenue laws. Therefore, the Court finds that injunctive relief is appropriate pursuant to 26
10 U.S.C. § 7402(a) to enforce the internal revenue laws.

11 Based on the foregoing, IT IS HEREBY ORDERED that Marge L. Cellini is permanently
12 enjoined from directly or indirectly:

13 1. Preparing or filing federal tax returns, amended returns, claims for refund, or any other federal
14 tax-related documents for anyone other than herself; and

15 2. Assisting in or directing the preparation or filing of federal tax returns, amended returns,
16 claims for refund, or any other federal tax-related documents for anyone other than herself.

17 The Court will retain jurisdiction to enforce this injunction and the United States is permitted to
18 engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure to ensure
19 compliance with this permanent injunction.

20 Pursuant to Fed. R. Civ. P. 65(d)(2), this order of permanent injunction binds the following who
21 receive actual notice of it by personal service or otherwise:

22 1. The defendant, Marge L. Cellini;

23 2. Marge L. Cellini's officers, agents, servants, employees, and attorneys; and
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1 3. Other persons who are in active concert or participation with anyone described in (1) or (2),
2 above.

3 SO ORDERED this ____ day of _____, 2013

4 DATED this ____ day of November, 2013.

5 _____
6 GLORIA M. NAVARRO
7 UNITED STATES DISTRICT COURT JUDGE
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